## Message Text

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**ACTION OPIC-12** 

INFO OCT-01 AF-10 ISO-00 EB-11 COME-00 AID-20 CIAE-00

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CIEP-03 LAB-06 SIL-01 OMB-01 AGR-20 L-03 /113 W ------ 041111

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FM AMEMBASSY GABORONE

TO SECSTATE WASHDC 5806

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E.O. 11652: N/A TAGS: EINV, BC

SUBJECT: INVESTMENT OPPORTUNITY IN CATTLE RANCHING

REF: A. STATE 196223; B. STATE 201052

- 1. EMBASSY IS GRATIFIED TO HEAR OF PLAN TO HOLD A LUNCHEON/MEETING IN DALLAS IN OCTOBER.
- 2. DCM HAS APPROACHED QUILL HERMANS, PERMSEC, MINISTRY OF FINANCE AND DEVELOPMENT PLANNING; TITUS MADISA, PERMSEC, MINISTRY OF AGRICULTURE; AND PAUL HINCHEY, ACTING DIRECTOR OF BOTSWANA DEVELOPMENT CORPORATION (BDC), TO INFORM THEM OF THE PROJECTED MEETING AND TO OBTAIN THEIR VIEWS ON QUESTIONS RAISED REFTEL. ALL CONCERNED WERE UNANIMOUS THAT CATTLE RANCHING INVESTMENT IS STILL OF GREAT CONCERN AND INTEREST TO THE GOVERNMENT OF BOTSWANA AND THE BDC.
- 3. WITH REGARD TO POLICY, THE SITUATION REMAINS AS DISCUSSED WITH KELLY DURING HIS VISIT HERE, I.E. GOVERNMENT HAS NOT YET ESTABLISHED OR INITIATED CONSIDERATION OF A POLICY ON LEASING STATE LANDS TO PRIVATE FOREIGN INVESTORS FOR AGRICULTURE DEVELOPMENT PURPOSES. HOWEVER, AS NOTED ABOVE, GOB CONTINUES TO BE GREATLY INTERESTED IN DEVELOPING ITS CATTLE LIMITED OFFICIAL USE

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RANCHING POTENTIAL.

- 4. AS WAS DISCUSSED WITH KELLY, A SPECIFIC PROPOSAL WHICH COULD BE USED AS THE BASIS FOR DEVELOPING A POLICY WOULD BE MOST WELCOME HERE.
- 5. ALTHOUGH NO ONE IS ABLE TO MAKE A FIRM OR OFFICIAL COMMITMENT ON GOB ATTITUDES TOWARD UNSPECIFIED INVESTMENT OFFERS NONE OF THE THREE TOOK EXCEPTION TO THE PARAMETERS DESCRIBED PARA 3 REF A. BDC NOTED THAT THEY WOULD BE PLEASED TO PARTICIPATE IN EQUITY FINANCING FOR EXAMPLE.
- 6. GOB SEES NO PROBLEMS WITH BEEF EXPORT IN SPITE OF EC IMPORT BAN WHICH THEY REGARD AS STRICTLY TEMPORARY. AT THE MOMENT SOUTH AFRICA IS BUYING ALL THE BEEF AVAILABLE.
- 7. IN THE LONGER TERM GOB EXPERTS FORESEE ONLY EXPANDING EXPORT MARKETS AND THEREFORE WOULD WELCOME SUBSTANTIAL INCREASE IN THE NATIONAL HERD. K.S. BINGANA, BEEF PRODUCTION OFFICER IN THE BOTSWANA MINISTRY OF AGRICULTURE, HAS JUST RETURNED FROM A CONFERENCE AT EDINBURGH UNIVERSITY IN SCOTLAND WHERE, ACCORDING TO MADISA (AND AS PRINTED IN THE BOTSWANA DAILY NEWS), IT WAS ASSERTED THAT WESTERN EUROPE ALONE WOULD HAVE A 1.2 MILLION TON DEFICIT OF BEEF BY 1980. BDC AND MINISTRY OF AGRICULTURE OFFICIALS ALSO FEEL THERE WILL BE AN EXPANDING MARKET TO THE NORTH, PARTICULARLY ZAMBIA AND POSSIBLY TANZANIA AND ZAIRE. GIVEN THE WELL-KNOWN DEVELOPMENT OF THE BOT-ZAM ROAD AND THE RECENTLY CONFIRMED DECISION TO BUILD A SECOND ABATTOIR AT THE SUA PAN, THE EXPANDING POTENTIAL MARKET, IMPROVED TRANSPORT SYSTEM, AND EXPECTED NEW BEEF PROCESSING CAPABILITY, INCREASES EVEN MORE THE POTENTIAL VALUE OF THIS INVESTMENT OPPORTUNITY
- 8. RE REF B, WE WILL SEND 35 COPIES OF INVESTMENT GUIDE TO BOTSWANA VIA NEXT POUCH. BOLEN

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## Message Attributes

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